

THE FEDERAL CROP INSURANCE ACT, AS AMENDED
(7 U.S.C. 1501 - 1519)

Law Prior to Enactment of P.L. 320

August 1, 1947

Existing Law

Applicable crops and availability

In 1948 not more than seven crops insurable, including wheat, cotton, flax, corn, and tobacco. Beginning with 1949, as many as three additional crops may be added each year. Insurance in any year limited to 200 representative counties in the case of wheat, 56 counties for cotton, 50 counties each for corn and flax, 35 counties for tobacco, and 20 counties for any other commodity.

Participating requirements

Insurance for the commodity not to be provided in a county unless written applications are filed covering at least 200 farms or one-third of the farms normally producing the commodity, nor is insurance to be provided where the income from the commodity constitutes an unimportant part of the total agricultural income of the county.

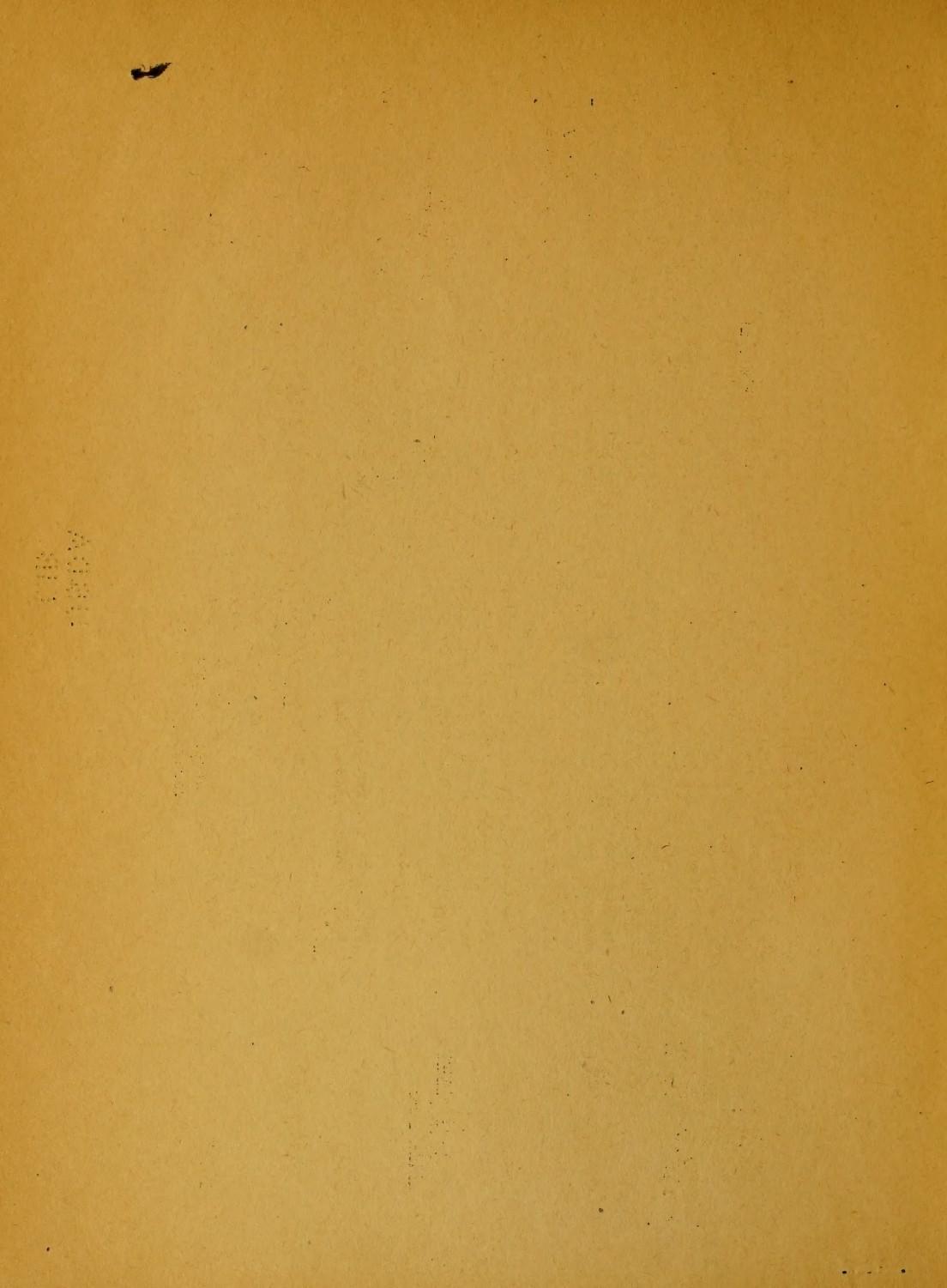
Insurance coverage

Insurance against loss in yield limited to 75 percent of recorded or appraised average yield of the commodity on

Insurance required to be offered on wheat, cotton, and flax in all producing counties. Insurance authorized on experimental basis for all other agricultural commodities but limited to corn and tobacco in 1945 and to not more than three additional crops each succeeding year. Experimental program for any commodity limited to producers in not to exceed 20 representative counties.

Insurance for the commodity not to be provided in a county unless written applications are filed covering 50 farms or one-third of the farms normally producing the commodity.

Insurance for wheat, cotton, and flax limited to 75 percent of the recorded or appraised average yield of the commodity on



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Insurance coverage (continued)

commodity on the insured farm for a representative period, adjusted to cause fair and just yields for the farm and all similar farms in the area. If 75 percent of the average yield represents generally more protection than the investment in the crop in any area, the protection is to be reduced so as more nearly to reflect the investment in the crop in such area.

Premium and indemnity rates

Corporation authorized to establish premiums and indemnities on the basis of the official parity or comparable price for the commodity, or on the basis of the average market price designated by the Board of Directors.

Insurance period

Insurance covers loss of the commodity only while in the field.

Reinsurance

Corporation authorized to reinsurance private insurers of producers of an agricultural commodity. Such reinsurance limited to contracts covering farms in not to exceed 20 counties.

No comparable provision

No comparable limitation

No comparable provision

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Board of Directors
and Manager

Board to consist of the Manager of the Corporation, two other persons employed in the Department, and two persons experienced in the insurance business who are not otherwise employed by the Government. Board appointed by the Secretary, who is not a member of the Board. The Manager appointed by the Secretary.

Corporation may sue
and be sued

Corporation may sue and be sued in its corporate name in any court of record of a State having general jurisdiction, or in any United States District Court. Jurisdiction conferred upon such district court to determine such controversies without regard to the amount in controversy.

Board to consist of three persons employed in the Department, appointed by the Secretary. The Manager of the Corporation selected by the Board with the approval of the Secretary.

Corporation may sue and be sued in its corporate name in any court of competent jurisdiction, State or Federal.

